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STATE FOR US HQ BICE WASH DC

USDOC FOR 532/OEA/LHINES/KGAINES  
USDOC FOR 3132/FCS/OIO REGIONAL DIRECTOR WILLIAM ZARIT  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A  
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETTC](#)  
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: THE  
MACAU WATER SUPPLY COMPANY LIMITED

REF: A) USDOC 05401 B) D322567

11. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the Bureau of Industry and Security (BIS), Export Control Officer (ECO) Philip Ankel conducted a post shipment verification (PSV) at The Macao Water Supply Company, Limited (Macao Water), 718 Avenida Do Conselheiro Borja, Macau on October 12, 2006. This PSV concerned gas detection sensors exported by Quest Technologies Inc., of Oconomowoc, Wisconsin, classified as 2B351 and valued at \$384. These gas detection sensors are controlled for chemical and biological weapons reasons (CB) and were exported to Macau pursuant to DOC license D322567.

13. Macao Water is the sole drinking water provider for the island of Macau. It is a private company majority owned by French investors (more information at [www.macaowater.com](http://www.macaowater.com)).

14. The ECO met with Chao Man Sou, the Manager of the Technical Support Department and Vice-Chairman of the Health and Safety Committee. The meeting occurred in Mr. Sou's office at the treatment facility. Mr. Sou confirmed that Macao Water had received the gas detector but that, unfortunately, as the unit was acquired over two years ago, it was no longer in use and had been discarded. Given its low value, Mr. Sou explained that Macao water had not kept records of the disposal. Mr. Sou explained that the sensor had been replaced by a newer sensor acquired from England. The unit and its replacement are used to measure the chlorine level in treatment tanks prior to workers entering those tanks to perform cleaning or repair work.

15. Mr. Sou was open and cooperative and provided the ECO with copies of the relevant documentation regarding the ordering and receipt of the item. He also gave the ECO a tour of the water treatment facility.

16. Mr. Sou stated that he did not believe that Macao Water had been informed of the applicable license conditions of license D322567 (i.e., no resale or reexport with BIS approval) as required by license

condition three.

¶17. The ECO believes Macao Water to be a very suitable recipient of U.S. origin controlled technology as it cooperated with the ECO, has a line of business that is consistent with the item's potential use, provided relevant documentation and allowed an on-site visit. Nonetheless, in accordance with guidance on reporting of PSVs where the items cannot be physically inspected, the ECO recommends that this PSV be classified as Limited.  
Cunningham